814

Chester A. Crocker

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FY 1987 Assistance Request for Sub-Saharan Africa

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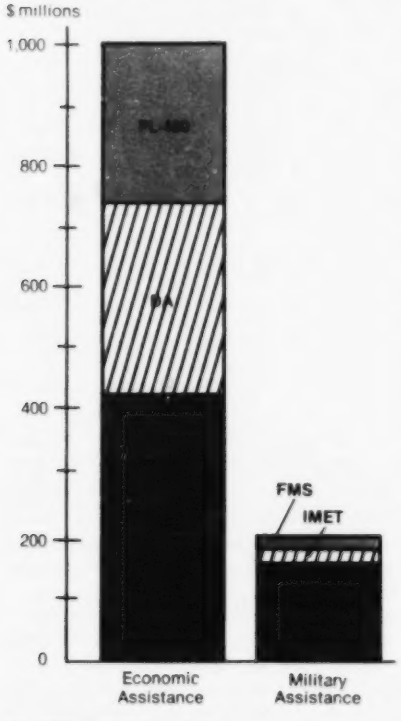

DA-development assistance
ESF-economic support fund
FMS-foreign military sales
IMET-international military education and training
PL-480 food assistance
MAP-military assistance program

Following is a statement by Chester A. Crocker, Assistant Secretary for African Affairs, before the Subcommittee on International Operations of the House Foreign Affairs Committee, Washington, D.C., March 18, 1986.

I welcome the opportunity to testify today on the 1987 foreign assistance request for Africa. I believe it is important to be here because Africa is too often lost in the shuffle in light of higher profile interests elsewhere in the world. Yet, it is Africa, as I hope this committee will agree, that poses some of the greatest challenges and opportunities for the United States.

I recognize that in these days of budget cutting and deficit reductions we need to ensure that all U.S. Government assistance programs are based on solid U.S. foreign policy interests and objectives and that all programs have been scrutinized to consolidate and reduce costs wherever possible.

My presentation is in two parts—first, the nature of U.S. interests and, second, the programs proposed to support these interests. While these cannot and should not be rigidly separated, I would divide U.S. interests in Africa into the following broad categories—strategic and political, economic and developmental, and humanitarian. All of these interests share one common factor: the awareness that Africa is part of a broader global system.

U.S. Interests

Soviet/Libyan/Cuban adventurism operates in Africa just as it does in Afghanistan, Nicaragua, and the Middle East. Africa's financial problems are part of a broader global framework, and failure to deal with them endangers the multilateral system crucial to our global interests. For example, while African debt is dwarfed by that of Latin America, the country with the largest arrears to the IMF [International Monetary Fund] is Sudan; and debt, in relationship to size and potential of economies, is far more serious in Africa than elsewhere. By the same token, Africa's level of socioeconomic development is much lower than that of other regions. African countries do not have the same ability to adjust to changing international economic developments that other regions—such as Latin America and Asia—have. For this reason, I think Africa needs to be recognized both for its special characteristics and for its importance to our world interests.

In development terms, what is occurring in Africa today, after a long period of stagnation and misdirection, is positive and encouraging. As I will describe in somewhat greater detail later, Africans have taken initiatives, risky initiatives, in terms of policy changes which deserve our support. Africans are not asking for a handout, nor do we propose to give them one. They are not arguing that their debt be repudiated. They are asking for support in developing institutions which will permit their economies to grow, with

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benefit to Africans and non-Africans. If we and our allies respond, we can head off far worse problems in the future.

Our request for Africa is not extravagant in this context. Our total request for development and security assistance to Africa comes to $2.50 per African. This is not an amount that can be cut substantially and still have the effect on poverty, disease, and dislocation that is desired. Some prominent elements in the United States, most notably the recent report of the Council on Foreign Relations and the Overseas Development Council, have urged that we do much, much more in Africa. But we are very much aware of budget constraints and have shaped our proposals in the context of what we believe is our proper share of our international effort, both bilateral and multilateral.

We have important security interests in Africa. Africa is relevant in strategic terms to the shipping lanes from the Middle East, the security of the Indian Ocean, and the transit across the south Atlantic. Africa is also near the critically important southern flank of Europe and vulnerable oil-producing areas in Saudi Arabia and the gulf. Africans are active participants in the security of these regions, for their own safety and development.

We have an interest in seeing the continent free from outside subversive influence and aggression or its use as a base for anti-Western propaganda and activities. Most African leaders share our perceptions about the dangers to the continent offered by Soviet, Cuban, and Libyan involvement and our view that disputes should be settled by peaceful negotiation—not armed force. We have not hesitated to provide military assistance to our friends when threatened by external aggression, as we did in the case of Libyan incursions against Chad. Our allies in Europe have reacted strongly as well. We ignore at our peril the intrusion of hostile external influence and power into this fragile and often unstable zone.

With about one-third of the membership in the United Nations, African nations are the most cohesive voting bloc at the United Nations and in other international fora. They play a critically important role in determining UN positions on political, economic, and technical issues, such as policy in the Middle East, on terrorism, and on human rights. Just to give one example, African countries consistently resisted efforts to challenge Israel's right to participate in the United Nations.

Africa's markets and our access to its rich mineral resources are important concerns to American industry and commerce. We depend heavily on Africa for the supply of such critical minerals as chrome and cobalt.

Africa is important to us in cultural and historical terms. About 11% of the American people trace their ancestry back to Africa. Afro-Americans are today a more cohesive and activist constituency than at any time in the past, not only on the emotionally charged issue of South Africa but also on the range of America's African interests and policies.

And finally, we have a strong humanitarian interest in helping our fellow man meet basic human needs and realize his potential. Last year, Africa experienced one of its worst droughts in modern history, with over 30 million people at risk. We can be proud of the U.S. role in providing unprecedented levels of food and other types of emergency assistance. Millions of lives were saved. With the return of rains to much of Africa, the specter of famine is receding but much still remains to be done to reduce deprivation and suffering. Equally important, we must ensure that Africans living on the narrow margins of subsistence have the realistic hope that life for their children tomorrow will provide more opportunities and economic security than there is today.

The Shift in the African Approach to Economic Development

Africa is at a crossroads in economic development. Drought, sharply changing terms of trade, and, perhaps above all, misdirected policies have brought Africa to a point where it has regressed to the per capita income of 1960. The seriousness of this crisis, however, has produced a major shift in African thinking. Indeed, among Africans and donors alike, there is a consensus on dramatic steps that must be taken by African governments and the nature of international support. If these steps are not taken, the situation will worsen with terrible human as well as, unquestionably, political consequences. But the key is that this crisis is recognized, and African leaders are taking actions of unprecedented nature to meet it.

What are African countries doing to help themselves? Much of the reform taking place reflects a move away from bankrupt statist policies dating back to the early years following independence. At that time, many African leaders were attracted by socialist solutions which held out the promise of a more rapid economic growth while at the same time promoting a more equitable distribution of income. Even countries that did not profess socialism were inclined toward a large state role in production, marketing, distribution, and finance. This path clearly has been a disappointment. Rather than a high rate of economic growth, it has promoted rapid growth of government and state enterprises at the expense of the fragile but productive private sector. Bureaucracies have swollen beyond the economy's ability to support them, creating incentives for corruption and distortions in the allocation of benefits. Subsidies were introduced that increased deficits as well as dependence on imports.

Many African countries are now aware of their past mistakes and are proceeding to pare down their government bureaucracies and remove controls which are preventing the economy from operating efficiently. I will give you briefly specific examples of important reform efforts by selected African countries.

Zaire. Zaire's policy adjustments are among the most thorough in support of market-led development. The local currency, the zaire, has been devalued sharply and allowed to float in a free foreign exchange market. Import licensing has been liberalized and payment restrictions eased. Virtually all state trading monopolies have been abolished and price controls eliminated. Questionable trading practices in the mineral sector that allowed for hidden capital flight have been abolished under World Bank direction. Interest rates have been freed and floated to rates that are positive in real terms. Finally, public expenditures were cut back sharply. As a result of these measures, inflation has dropped to an annual rate of 20% after running at over 100% in 1983; exports have increased, and the trade surplus has doubled despite a continuing decline in copper prices. Growth has also recovered, rising to a 2.8% real rate in 1984. However, despite these positive results, debt service remains a tremendous problem for Zaire, consuming about half of the government's budget.

Zambia. In Zambia, the government has recently introduced a series of fundamental economic policy changes. It has established an auction system for foreign exchange; liberalized its foreign trade regime and ended all import licensing and other quantitative restrictions: decontrolled interest rates; and established a daily auction in Treasury bills to help meet its domestic credit needs from sources outside the banking system. No less significantly, the government has also continued to push ahead with sectoral reform programs, increasing and/or decontrolling producer

and retail prices for agricultural products, restructuring tariffs, and developing an action program for the rationalization of the mining industry.

Somalia. Similarly, Somalia in 1985 embarked upon one of the more sweeping reform programs in Africa. Prices were entirely decontrolled; import licensing was abolished; all restrictions on internal grain marketing were eliminated; and a dual foreign exchange market (with a freely floating exchange rate for most commercial transactions) was developed as a first step toward a unified free foreign exchange market. Real public expenditures were also cut back sharply. Together, these measures had an immediate impact on prices, production, and exports. Inflation settled to a rate less than half that of 1984—about 30%–35%; foodgrain production rose to record levels; exports almost doubled; and overall GDP [gross domestic product] growth strengthened to a 4% real rate for the year.

Guinea. After 26 years of economic mismanagement, the new Government of Guinea, under the leadership of President Conte, launched a sweeping economic reform program in the fall of 1985 aimed at implementing IMF and World Bank recommendations and putting the Guinean economy on a private sector footing. Guinea devalued its currency by 1500% and instituted a foreign exchange auction system as a step toward market-determined rates; the state banking sector was liquidated, and its functions are being handled by three Franco-Guinean banks; the prices of basic commodities are being decontrolled to stimulate increased supply; the import and retailing of rice was privatized; state enterprises were dismantled or privatized; and targets were set for deep cuts in civil servant staffing.

Role of the Donor Community

What should the donor community do to support such important economic reforms? In its recent report "Financing Adjustment with Growth in Sub-Saharan Africa 1986–1990," the World Bank presents a sobering view. In the introduction to the report, World Bank President Clausen notes that the "development strategies of many African countries have changed dramatically," that "major structural reforms are being undertaken," and that "there has been marked progress by many African countries in redressing major macroeconomic and sectoral distortions." He adds, however, that "the major structural reforms undertaken by many African countries to address their long-term development problems have not received adequate donor support."

The Bank believes that, in order to achieve sustained and sound growth, approximately $2.5 billion in additional assistance is required. Some of this can come from an enlarged IDA VIII [International Development Association], but the remainder must come from bilateral support. I am not arguing for a gap-closing exercise for all of Africa. For better or for worse, this is not sustainable in the United States or most other countries. What is needed is a combination of donor concentration of assistance on programs to produce results in those countries in Africa seriously engaged in adjustment and to provide incentives for the future to other countries that must eventually take this path.

Economic Assistance

I, and my AID [Agency for International Development] colleagues, believe in this, and the proposals which are before you reflect this approach. U.S. bilateral assistance is perhaps one-eighth of total assistance flows to Africa. Yet our relatively small share of assistance is crucial to broader patterns of assistance. We are proud to be considered the leader and innovator in African development. This is a role we wish to maintain.

Accepting the reality that we do not have the resources to do everything that we would like to do, we have evaluated our priorities carefully to focus our assistance. Our request for economic assistance for Africa in FY 1987, at about $1 billion dollars, is about 10% below actual expenditures in 1985. Over half of our assistance is concentrated in nine countries: Cameroon, Kenya, Liberia, Niger, Senegal, Somalia, Sudan, Zambia, and Zaire. In terms of programming our economic assistance, about 43% of our resources goes to assist economic stabilization and reform efforts; 35% to promote increased agricultural productivity which is made possible by such reforms; and 22% for human resources development. Development assistance, economic support funds, and PL–480 food assistance each provide roughly a third of the resources for our bilateral programs. While some of these resources may help meet short-term needs, our major objective is to increase the long-term productivity of the countries we are helping.

Economic and institutional reform will continue to be the centerpiece of our development strategy. Under our regular assistance programs in Africa, we have been providing increased balance-of-payments assistance and conditioning it on economic structural reforms (e.g. trade liberalization, agricultural market liberalization, civil service reform) to create a favorable framework for medium- and long-term growth. This is precisely in line with recommendations of the World Bank to bilateral donors.

In FY 1985, we began implementing a new program, the African economic policy reform program, which provides additional, more flexible assistance to African countries undertaking critical policy reforms and for whom additional, timely resources would accelerate the pace of such reforms and ensure implementation at the sector level. The first year was a success. We selected five countries for a total program of $75 million and negotiated reforms which included: reduction of fertilizer subsidies in Malawi; pruning of the civil service payroll in Mali; lowering of tariffs and marginal personal tax rates in Mauritius; liberalization of price controls in Rwanda; and elimination of subsidies on maize and fertilizer in Zambia. Due to budget restraints, funding for the program in 1986 was reduced to $47.9 million. We hope Congress will provide us the resources so that we bring this important, effective program back up to the $75 million level in 1987.

The African economic policy reform program was a precursor of and gave impetus to a similar program, the World Bank's Special African Facility—a facility which, together with bilateral funds available for cofinancing, totaled about $1.3 billion to finance policy reform programs in Africa. The Facility has done useful work; we have been coordinating our reform programs with the World Bank and in FY 1986, at the initiative of Congress, made a direct contribution to the special fund.

This year, we will begin implementing "Food for Progress," using an initial allocation of 75,000 tons of food to support several pilot programs. "Food for Progress" is designed to support market-oriented reforms in the agricultural sector with a view toward increasing a country's productive capacity. Benefiting from the experience of the first programs, we plan to expand it in 1987 and are hopeful that, like the reform program, it will also make a significant contribution to the structural reform efforts of African countries.

Lastly, I would like to mention briefly our efforts to mobilize additional multilateral support for Africa. Last October, at the IMF/IBRD [IMF/International Bank for Reconstruction and Development] annual meeting in Seoul,

we tabled a proposal on the use of IMF Trust Fund reflows in conjunction with World Bank resources and possibly bilateral contributions. The proposal would promote greater consistency and coordination of efforts of all parties involved in the implementation of structural adjustment programs in the beneficiary countries. The IMF and World Bank would develop a comprehensive economic framework, and then each institution would negotiate its own policy-based lending programs consistent with the overall framework.

At the February 11 meeting of the IMF Executive Board, the Trust Fund proposal was endorsed. The initiative was also considered at the March 17 World Bank Board, but we do not yet know the results. Nonetheless, we are fairly confident that the initiative will go forward and expect that it will make an important contribution toward helping close the resource gap for Africa identified by the World Bank. The Trust Fund part of the U.S. proposal alone would provide substantial increased concessional assistance for the poorest countries with protracted balance-of-payments problems. During the first round of distributions of the IMF Trust Fund, only 27% went to African countries. This time we would expect more than triple that percentage to go to Africa.

This, in sum, is what we propose on the economic side.

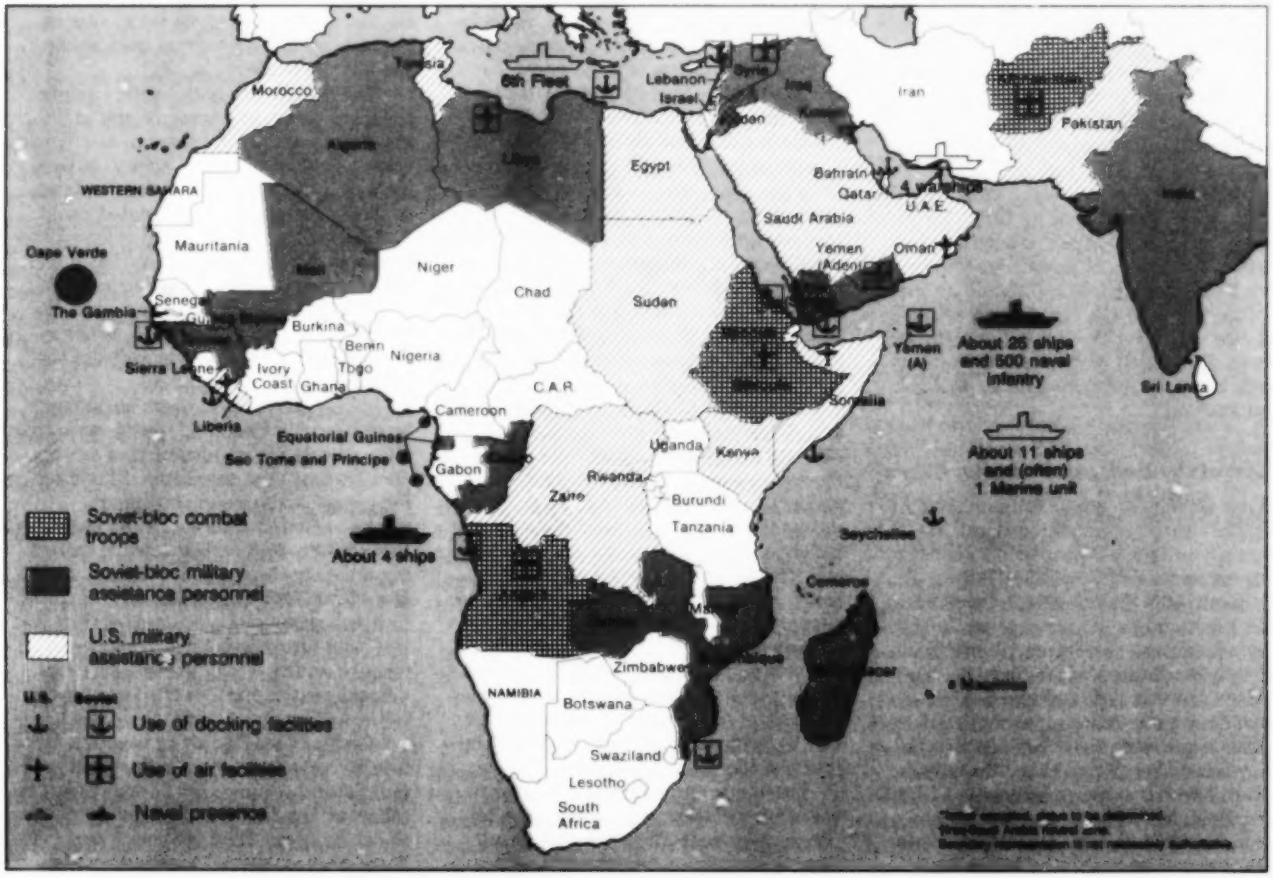
Military Assistance

This year, as in previous years, our request for military assistance is based upon our strategic interests in Africa and on the philosophy that the armed forces of Africa are an important power factor in their individual countries. We believe that these military organizations can be either stabilizing or destabilizing forces and that we must stay involved in terms of providing justifiable assistance to key countries. If we do not play in the game, we will have no influence over the outcome. We have a stake in supporting moderate, friendly states and an interest in moving countries that have been part of the Soviet order into a more fully nonaligned position.

In FY 1987, as in the past, our request for economic assistance outweighs our request for military assistance by a factor of 5 to 1. Our request for military assistance for FY 1987 is reduced from our FY 1986 request by 9%. The request for FY 1986 was $220 million, but because of severe budget reductions, we were able to allocate only $111.5 million. The request for FY 1987 is $201.5 million: $174.1 million, MAP; $14 million, FMS credit; $13.4 million, IMET.

The reductions that we were required to take in military assistance in FY 1986 were very costly in terms of U.S. interests. In Sudan, the reductions were so severe as to give rise to questions about our seriousness in a country of vital strategic importance to Egypt and Kenya and which is gripped with an internal insurgency fueled by Ethiopian

U.S.-Soviet Military Balance



arms. In Kenya, we cut back on planned support to one of our staunchest friends in the region—indeed, in the Third World. In Botswana—just as that country faced greater tension on its borders and more than ever was determined to defend itself from both other countries and armed movements that would misuse its territory—we had to cut our program nearly in half. In Cameroon, which has kept its borders clear of trouble from Chad or elsewhere, we had to eliminate the program altogether, even though it is one of the best managed programs in Africa. These are costly steps. These reductions, often drastic, raise the most basic questions in the minds of important regional partners about our readiness to help victims of Libyan encroachment or other cross-border raids. These countries have stood up continuously in favor of positions we have supported in international and regional matters and expected not large, but timely and consistent help from us. If we continue this pattern of reductions in future years, we will have opened the door to more trouble in Africa than is readily understood. In Sudan, Libya is today actively exploiting the uncertainties about our military relationship with that country to gain a foothold in military matters. And unlike our role, which was to concentrate on border defense and urge strongly a negotiated settlement of the internal uprising, Libya will not adhere to such principles.

Our request for military assistance in FY 1987 is concentrated in five countries: Sudan, Kenya, Somalia, Chad, and Zaire. Kenya, Sudan, and Somalia figure directly and prominently in the U.S. Southwest Asia strategy. These countries support U.S. political and military objectives in the region and provide U.S. forces with access to and through their countries.

Chad is under siege from Libya. Libyan forces occupy the northern third of the country. The French have the major responsibility for helping Chad defend itself, but the United States plays an important supporting role as France cannot manage the entire burden alone. U.S. bilateral support for Chad also demonstrates our resolve to help African nations counter Libyan aggression and adventurism.

Zaire continues to be a staunch supporter of U.S. policies in Africa, including the containment of Libyan aggression, as shown by President Mobutu's 1983 decision to send troops to Chad to counter earlier intervention by Libyan and rebel troops. Zaire has a military that has an enormous mission and requires outside assistance from a number of supporters, especially in the airlift and logistics areas.

Our other major military assistance goes to Liberia and Botswana and to a regional civic action program. We are well aware of the congressional concerns about military assistance to Liberia, but we cannot walk away from that country's military establishment. We reduced our 1986 allocation to $5 million, and we are requesting $8 million less assistance in 1987 than in 1985. While we take very seriously the Senate and House resolutions concerning military and ESF assistance, we believe it is vital to stay involved with the rank and file military in Liberia. The military did not impede the process of return to constitutional rule nor did it serve as an instrument to interfere with the recent elections. This military is a prime example of where a properly trained force can be a stabilizing influence, and an untrained, undisciplined force can be a recipe for future unrest and chaos. We cannot abandon our commitment completely or precipitously.

In Botswana we have a commitment to assist the Defense Force with training and equipment that will increase its border defense capabilities. Botswana must remain both economically and militarily stable in this critical and potentially unstable area of Africa.

The Africa civic action program, although only in its second year, has already paid dividends. In 1985 and 1986 we have been able to identify small projects in Mali, Niger, Malawi, Senegal, Ivory Coast, and Rwanda; and we are working on coastal security programs with Senegal, Guinea, Sierra Leone, and Mauritania. We are getting a lot of mileage out of the civic action program for a very small investment.

There is one new program identified in the 1987 request: a $1 million MAP program for the Central African Republic (C.A.R.). The C.A.R. has been very supportive of U.S. and French policies in the region and has acted quickly to deter Libyan adventurism in not only the C.A.R. but in southern Chad as well. The French provide the majority of the military assistance required by the Central Africans, but, as in Chad, they cannot supply all of the legitimate requirements. We intend to provide trucks for key mobile infantry units to help them increase their effectiveness in protecting their borders.

In this era of reduced resources available for military assistance, we have carefully examined each of our programs and have consolidated a number of projects in each country. I would like to point out that we have maintained a remarkably consistent military assistance request over the years. Since 1982, the total request for military assistance each year has been approximately $200 million. Because of the shortfall in 1986, we consolidated some programs and projects and deferred others. We plan to do the same in 1987. However, there is a level below which we should not fall; a level below which our assistance would not make sense or be effective. There are those who would argue that we should curtail military assistance to African countries. We cannot and should not do that. We would run the risks I outlined above—the risks of losing the influence that we have and of actually adding to instability rather than stability.

I would like to take a moment at this point to set the record straight on a commonly expressed misconception of U.S. military assistance to Africa. This Administration has been accused of trying to militarize Africa, of emphasizing military assistance over economic assistance. That is simply not the case.

When we do respond to requests for military assistance it is in the area of training, logistics, supply, communications, engineering, and most recently in the area of civic action. However, when friends and allies are threatened or invaded, as in the case of Chad, we have responded with lethal, primarily defensive, equipment. We believe that this is the correct response, and we will continue to follow this pattern.

The Congress and the public are not aware of the number of requests for military assistance that we deflect. We consult closely with African nations when they ask us for military assistance, and more often than not we conclude that their situation does not warrant a military supply relationship with the United States. In these cases we have established training programs which have proven to serve better the needs of African militaries than expensive, hard to maintain, equipment programs. Out of all the nations in sub-Saharan Africa, we have military equipment assistance programs in only 14. These 14 fall into very select categories: they are either key actors in U.S. national security strategy or they are threatened by external aggression. There are a few countries which fall into both categories. By contrast, we have training programs with 44 nations. I believe that the record demonstrates where we place our priorities.

I want to emphasize the point that there are, indeed, African nations that are threatened by aggression and internal instability, that this instability works directly contrary to U.S. interests, and that the United States will respond to help our friends. Deterioration in the security situations in Chad, in Sudan, in Somalia, and in southern Africa will impact seriously upon U.S. interests in those key regions in Africa. We are not requesting military assistance because we are "nice guys." We receive valuable benefits in return for our investment. We are pursuing objectives that are part of U.S. national strategic policy.

I will now review regional highlights.

Southern Africa

We are engaged in a major diplomatic effort in southern Africa to decrease the level of violence and establish a more stable basis for regional security and to end apartheid and establish a more just system based on the consent of all the governed. These objectives are interrelated. As long as the level of cross-border violence and the perception of threat remain high, it will be difficult to generate among white South Africans the political will necessary to adopt real reforms. On the other hand, there is no question that, for as long as it exists, apartheid will be the principal source of conflict and instability in the region, creating opportunities for outside intervention.

We have seen some progress toward these objectives. Our goal of diplomatic resolution of conflict and of economic development is gaining support as opposed to an orientation toward armed conflict which favors only our adversaries. The Nkomati accord between South Africa and Mozambique has decreased the level of cross-border violence. Our effort to achieve Namibian independence on the basis of UN Resolution 435 has made important progress. We now have concrete proposals on the table from both Angola and South Africa, including a date of August 1, 1986, for implementation of UN Resolution 435 for Namibian independence, if there is a satisfactory agreement on Cuban troop withdrawal.

These achievements are fragile and incomplete. Much more remains to be done. The area has vast development potential, but this potential can never be achieved as long as the problems of racism, war, economic disruption, and foreign intervention persist. Our assistance programs have been greatly expanded and are designed to achieve greater regional security, economic development, peaceful change, and further reform in South Africa. They are tangible demonstrations that we, and not our adversaries, have the capacity and willingness to help the countries in the region achieve peace and better the lives of their people.

We strongly endorse and support the objectives of the Southern African Development Coordination Conference (SADCC) which seeks to coordinate development projects of the nine majority-ruled governments in southern Africa. AID provides direct technical and financial support to the SADCC Secretariat and works with SADCC in various areas, including agricultural research, manpower development, food security, and transportation.

In Zambia, the Kaunda government, supported by the IMF and World Bank, remains committed to a difficult program of economic reform. Zambia has begun a series of fundamental changes in its basic economic policies which our aid programs are helping to sustain. Zambia's economy remains fragile and needs substantial outside assistance to cushion the effects of its reform program.

Due principally to sensible agricultural policies, Malawi has largely been able to feed its population. However, the insurgencies in neighboring countries, particularly Mozambique, have made Malawi's ability to import or export commodities extremely costly. The country remains extremely poor, and it warrants our support as it undertakes new initiatives to diversify and strengthen its economy.

Our aid is helping Zimbabwe to stay on a sound economic footing. Our efforts are focused on the private sector, where an invaluable commodity import program has alleviated foreign exchange limitations that otherwise would have stalled industrial and commercial recovery. The private agricultural sector naturally suffered under the region's severe drought but, all things considered, coped fairly well and, with improved weather this year, has had major increases in production.

Mozambique continues to make major desirable changes in its orientation, and we have responded by developing diplomatic relationships and economic assistance programs intended to show our support for the change. I have already mentioned the Nkomati accord, a key move away from armed confrontation. Mozambique has, since then, moved toward greater participation in the Western economic system. It has joined the IMF and World Bank, adhered to the Lome Convention, and signed an OPIC [Overseas Private Investment Corporation] agreement and a Paris Club rescheduling. Several American firms are initiating important investments in the country's agricultural, fishing, and minerals sectors. It was one of the most drought-affected countries in the region, and we responded with large-scale emergency food assistance. Our assistance programs demonstrate tangibly our support for the Machel regime and the reforms it has undertaken; however, congressional restrictions on our aid to Mozambique have caused significant reduction in this assistance. Our support is particularly timely, since the Mozambican Government's turn away from heavy reliance on the Soviet Union is being called into question by continued antigovernment violence committed by RENAMO [National Mozambican Resistance]—a movement initially created by Ian Smith's Rhodesia, nurtured prior to the Nkomati accord by the South African Government, and still supported by non-African elements such as the Portuguese.

Our assistance program within South Africa is one of the pillars of our policy toward that country. It is not government-to-government, and it demonstrates clearly that our policy is not limited to a narrow range of issues nor to dialogue with the South African Government alone. It also encourages individuals and groups striving for peaceful change in South Africa.

The proposed U.S. aid program for South Africa in FY 1987 is $25 million, of which $15 million is budgeted in the southern Africa regional program (development assistance and ESF), and $10 million would come from a special ESF allocation for South Africa. Working directly with regional organizations, private voluntary organizations, local community groups, and individuals, our assistance program is aimed at improving community support structures, private enterprise, and educational and training opportunities for disadvantaged South Africans. Its basic goal is to assure that strong and responsible leadership is available to assume increasingly greater positions of responsibility and authority in both the public and private sectors. We have a major human rights program to assist in legal defense work and improving the responsiveness of legal institutions in South Africa.

Southern Africa is of substantial strategic and economic importance to the United States. We are engaged there in a continuing major diplomatic effort to bring about the independence of Namibia under UN Security Council Resolution 435, and a situation of peace among countries suffering from cycles of violence. We have seen progress toward these objectives and in our relationships with all the countries of the region, but we have still major efforts ahead of us.

The area has vast development potential, but this potential can never be achieved as long as the problems of war, economic disruption, racism, and foreign intervention persist. Our policy in the region is designed to address these problems through enhanced regional security, economic development, peaceful change, and a movement in South Africa away from apartheid and toward a system of governance based on the consent of all the governed. Our assistance programs are targeted at achieving these goals and allowing the area to resolve its difficulties and develop without outside interference, especially from Soviet-bloc nations.

Central Africa

The United States has a major policy stake in ensuring an independent Chad in the face of continuing Libyan aggression. Libya occupies the northern 40% of Chad and is currently supporting attacks by dissident forces. Our security assistance support for Chad is designed to complement the efforts of France, which has the primary role in assisting with Chad's security. Because of its shattered economic base, caused by the ravages of war and drought, Chad needs fast disbursing ESF to restore basic civilian services and development activity as well as MAP to strengthen its capabilities to resist continuing Libyan aggression and subversion.

Zaire, a country of crucial strategic importance in Africa, has been a firm friend and supporter of U.S. policies. It contributes substantially to stability in central Africa. For example, it helped the Chadian Government by sending troops to Chad to permit that country to defend itself against the Libyan invasion in 1983, and it provides training in Zaire to Chadian troops. In addition, Zaire has pursued constructive policies on issues outside Africa. Zaire has close ties with Israel, with which it reestablished diplomatic relations in 1982. A neighbor of conflict-ridden Angola, Zaire is equally a critical country in the search for peaceful resolution of southern African conflicts. Zaire's military has long been underfunded, and our MAP program is designed to get Zaire programs back on their feet, particularly in the key airlift area. The importance of this program was demonstrated in November 1984 when Zairian forces were airlifted in a U.S.-provided C-130 to recapture a town in eastern Zaire that had been seized by antigovernment rebels coming across the border. And lastly, as outlined earlier, Zaire has taken major steps to reform its economy which we need to continue to support.

Cameroon is a country where we want to build on success. Cameroon's policies, including emphasis on the private sector and active encouragement of foreign investment, have been conducive to sound development programs. With $21.89 million in assistance proposed in FY 1987, our economic aid emphasis is on increased production in food crops and market participation and income of small farmers. Our security assistance seeks to improve the mobility and efficiency of its modest defense forces.

East Africa

A number of countries, including Kenya, Sudan, Somalia, Mauritius, and Madagascar have undertaken tight, much-needed economic adjustment programs to establish a stronger basis for self-sustaining growth. Two countries, Somalia and Madagascar, are in the process of correcting earlier severe economic distortions. Early this year, for example, the IMF approved a standby agreement and additional funding to compensate for lost export earnings—critical financial assistance in support of major economic reforms undertaken by the Somali Government. Our aid programs focus in several cases on quick-disbursing ESF grants which enable importation of needed inputs to agriculture and commerce and provide the catalysts for financial assistance from other donors as well as assistance complementary to that from international organizations such as the IMF and World Bank.

Our economic assistance is vitally important to Sudan as its government undertakes a return to democracy for the first time in 17 years, seeks constructive solutions to the country's desperate economic problems, and maintains a liberal policy toward refugees.

The United States has, in the past, played a leading role in an extraordinary international effort which has mobilized resources to enable Sudan to meet recurring payments for imports essential to development and other obligations. Through quick disbursing CIP [commodity import program] funds and, when necessary, cash grants, we have helped Sudan manage its economic resources within an international framework. These programs broke down under the growing political instability and civil strife in the final months of the Nimeiri regime. They will be rebuilt only painstakingly as the country works first to restore democracy through elections in April. We have reassured the Sudanese of our intent to support this process. We have also indicated our readiness to work with the newly elected government in addressing the most urgent economic problems. Meanwhile, there is ongoing need to restore infrastructure badly damaged during the drought and to help support economic activity in the agricultural sector through the election period. At the same time, we have begun quiet, informal consultations with other significant donors so that the donor community can move quickly and in a coordinated way to meet Sudan's urgent needs. While many basic decisions must await elections, our economic assistance constitutes a principal base for Sudanese recovery.

I have noted earlier the importance of our continuing to have a military assistance relationship with Sudan. Sudan continues to be threatened by subversion at home and abroad. The security problem on two borders—Libya and Ethiopia—exacerbates the internal political tasks of Sudan. We have made clear that our military assistance is not for pursuit of a military solution to problems in the south. The interim government has, indeed, taken several initiatives to seek political reconciliation. We expect these initiatives to intensify after elections install a permanent government this April. However, Ethiopian support of the southern insurgency appears to be a serious obstacle to negotiations, as Ethiopia seeks to exploit this situation for its own ends. While strongly urging a negotiated settlement of the southern problem, we are not disposed to see Ethiopia use the situation to help spread Soviet influence in the region.

Our security assistance in 1986 is vital for Somalia to control its borders and manage its own destiny. Somalia is still engaged in a residual border conflict with Ethiopia. Ethiopian troops still occupy two Somali villages. Ethiopian-backed insurgents in the north periodically engage in border harassments. We and our allies continue, meanwhile, to encourage, through every diplomatic way possible, a lessening of tensions in the region and a process for overcoming border and other divisive issues. The

careful balance of our assistance to Somalia over the past several years, giving Somalia defensive capability but not supporting actions against Ethiopian territory, contributed to the atmosphere in which Ethiopia's Mengistu and Somalia's Siad recently met for the first time to find a peaceful solution to their long-standing disputes.

Kenya is successfully coping with the economic conditions that brought so many other African countries down. Kenya has taken tough measures to limit its critical balance-of-payments and foreign exchange deficits through devaluation, import reductions, and budget cuts. Kenya moved quickly to get food into the country when the drought struck, and its performance stands in sharp contrast to that of Ethiopia. Assistance from the IBRD, the IMF, and the world donor community in support of Kenya's short- and long-term reform efforts has given Kenya the external help necessary to make its domestic adjustments. This is a success story that we must not abandon. Continued help will now focus on a major opening of the private sector in agriculture, exports, and social development so that Kenya can keep up with the pressing problems of population growth, unemployment, and poverty.

West Africa

While the American presence and aid levels in the 16 countries of West Africa generally are not large, they are, nonetheless, significant. In drought-affected countries, such as Niger and Mali, our emergency assistance has proven crucial. Dealing with acute food deficits is both a short-term humanitarian problem and a longer term developmental objective.

In Senegal, our programs are designed to bolster a friendly democratic government and one which is a leader in economic restructuring. In addition to providing Senegal the largest amount of U.S. development assistance in francophone Africa, we are using ESF to enable the Senegalese to continue to pursue more rapidly significant economic policy reforms, such as in agricultural marketing. Our assistance programs are being coordinated with France, Senegal's largest donor, and with the international financial institutions. We also seek to continue a modest but highly valued $4.5 million MAP program in FY 1987 to augment Senegal's capability to resist Libyan subversion; our highly successful IMET program trains about 30 officers of Senegal's apolitical, professional armed forces in the United States. We believe that this mix of programs in FY 1987 will assist this friend of the United States to sustain policy reforms and to preserve stability in this key area in Africa.

Liberia has a special historical relationship with the United States, and it is the site of several vital realities. There are some 5,000 Americans there. Since 1980, it has struggled with the transition from 100 years of one-party aristocratic rule to power and control by elements of the previously disenfranchised population. It has been a difficult period, marked by inexperience of the new rulers, human rights abuses, and deep economic problems.

In Liberia, our assistance levels were considerably reduced in FY 1986 from previous years. In making that decision, we took into account this year's budgetary constraints and the Administration's and congressional views about human rights. Our assistance programs in development assistance, ESF, and MAP in FY 1987 are carefully tailored to improve the quality of life of Liberians, particularly in rural areas, to encourage the Liberian Government to take key decisions regarding economic reform and its international debt that are essential to restore international financial confidence in that country and prevent economic collapse, and to continue, at a much reduced level, the supply of essentially nonlethal equipment and facilities and training to Liberia's Armed Forces, which help make them a more disciplined and less politicized force.

Liberia held national elections in October 1985 and returned to civilian constitutional rule on schedule in January 1986. But the process was marred by disputes over the election results and by a coup attempt and its aftermath a month later. Steps have been taken by government and some opposition leaders to promote national reconciliation within the framework of the new democratic constitution and institutions of elected government. Much more needs to be done. Our continued assistance program will, in our view, contribute to the prospects for national reconciliation, political stability, and human rights in Liberia. We have sent strong messages on all these matters this year and at the same time have applauded the recent release of prominent political detainees, the opening of trials to outside observers, and removal of some of the press restrictions from last year. We shall keep those matters very much in mind, as well as the Liberian Government's actions to address seriously its economic problems, as we disburse assistance funds throughout the year. ■

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